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# DHRM TOTAL COMPENSATION BULLETIN

## Compensation and Benefits Information for State Employees FY 2020

**Effective Date:** June 29, 2019

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## 1. Salary Updates

### H.B. 8- State Agency and Higher Education Compensation Appropriations

The legislature provided funding equivalent to a 2.5% Labor Market Increase for certain state and higher education employees.

- The 2.5% adjustment will be administered as a COLA (Cost of Living Adjustment) for employees who meet certain eligibility criteria.
- Eligible employees who are at the maximum of the salary range, above the maximum or in longevity will also receive an adjustment to their base salary.
- Salary ranges will increase by 2.5% for eligible jobs.
- Eligibility for the 2.5% increase are as follows:
  - Schedule B - All employees eligible
  - Schedule AA - Not eligible
  - Schedule AB - All employees eligible, unless prohibited by statutory limit in UCA § 67--22--2
  - Schedule AC - Employees eligible; according to agency policy
  - Schedule AD - All employees eligible
  - Schedule AE - Determination made according to agency policy
  - Schedule AG - Employees eligible; according to agency policy
  - Schedule AH - Some employees eligible; according to agency policy
  - Schedule AN - Legislative branch will determine eligibility
  - Schedule AO - All employees eligible

- Schedule AP - Not eligible
- Schedule AQ - Not eligible
- Schedule AR - All employees eligible
- Schedule AS - All employees eligible
- Schedule AT - All employees eligible
- Schedule AU - Not eligible
- Schedule AW - All employees eligible
- Schedule IN - All employees eligible
- Schedule TL - All employees eligible

## **2. Retirement Updates**

### H.B. 8 - State Agency and Higher Education Compensation

- Provides appropriations for employer match up to \$26 per pay period for qualifying state employees. (effective July 1, 2019)

### S.B. 129S03 Public Safety and Firefighter Tier 2 Retirement Enhancements (effective dates vary - see below)

- Requires a study in the 2019 interim session of the PS/FF Tier 2 system's benefits and funding mechanisms effective May 14, 2019.
- Provides for PS/FF Tier 2 retirement enhancements effective July 1, 2020
  - Increases multiplier from 1.5% to 2.0%
  - Increases employers' cap on their contributions from 12% to 14% of covered payroll.
  - For DC only members, increases contribution made to members' 401(k) from 12% to 14%.
- Members will begin paying 1.91% of covered payroll due to increase of multiplier being above employer 14% cap effective July 1, 2020.
- The non-elective contribution made by an employer to a hybrid system member's 401(k) account will be eliminated due to calculated contribution rate exceeding 14% of covered payroll employer rate cap effective July 1, 2020.

### H.B. 232S01 State Active Duty Amendments

- Provides for members of the Utah National Guard to be covered under Workers' Compensation if injured or disabled while on state active duty.
- If Utah National Guard members are called to serve by the state, they shall receive benefits equal to those at the federal level.

### **3. Medical, Dental, and Vision Insurance Updates**

#### **H.B. 8 - State Agency and Higher Education Compensation Appropriations**

- Funds a 4.35% increase in health insurance premium rates. Employee premiums for all plans except the STAR (Summit and Advantage Networks) and Consumer Plus (Summit and Advantage Networks) increase by approximately 4.35%.

#### **SCR 3. Concurrent Resolution Regarding The Public Employees' Health Plans (effective July 1, 2019)**

- Allows employees on high deductible health plans to receive up to one-half of the amount that would otherwise go into the employee's HSA as taxable cash (annual election)
  - Employee will be responsible for taxes on both the employee and employer's portion of the cash election.
  - Not applicable for HRA participants
- Covers certain preventive chronic disease medications before the deductible on high deductible plans (i.e., certain insulins).
- Changes the name of "Utah Basic Plus" to "Consumer Plus".

#### **SCR 4 Concurrent Resolution Directing Creation of a Request for Payment Pilot Program (RFP) effective July 1, 2019)**

- Directs PEHP to submit an RFP for value based payment arrangements with providers.
  - Value based payment arrangements reimburse based on an episodic or global basis, rather than a fee for service model.
  - Allows incentives to be aligned in order for providers to take into account cost and quality instead of simply performing more services.
  - Goal is to reduce cost of healthcare while receiving quality care.

#### **S.B. 95S01 Autism Amendments**

- Removes 600-hour cap.
- Removes age limit.

#### **Vision**

- Premiums for OptiCare and EyeMed (full vision and eyewear only plans) remain the same.

## Dental

- Dental premiums on Traditional, Preferred Choice, and Regence Expressions plans remain the same.

## Telemedicine Benefit

- Intermountain Connect Care is available for all PEHP members on all networks.
- Traditional plan is \$10 per visit.
- STAR/Consumer Plus is \$49 per visit: \$10 after meeting deductible.
- With Connect Care, pay nothing if the tele-doc is unable to assist you.
  
- **\*New this year\* University of Utah Healthcare** is now providing a telemedicine service to PEHP members on the Summit and Preferred networks.
- Traditional Plan members only pay a \$10 co-pay per visit
- STAR Plan members only pay \$49 per visit before deductible and \$10 after deductible

## Health Savings Account/Health Reimbursement Account Employer Contribution

- Annually, employees may choose to receive up to one-half of their employer's HSA contribution as taxable compensation to be distributed twice per year at the same time as the HSA contribution.
- Reminder: The first half of the HSA/HRA contribution will be distributed by the end of July 2019 and the second half by the end of January 2020.
- Maximum contribution limits for 2019: \$3,500 (single), \$7,000 (double/family)

## Flexible Spending Account (FSA)

- Maximum contribution for 2019 is \$2,700
  - This increase also applies to limited-purpose FSAs that are restricted to dental and vision services.
  - \$500 may be carried over into the next plan year and not count toward the \$2,700 maximum on medical and limited-purpose FSAs.

## Health Insurance Changes

- While State of Utah medical insurance premiums increased by approximately 4.35% over the last year, H.B. 8 funded an average 4.35% increase in health insurance benefits.
- The employee's portion of health insurance premiums increased slightly on all plans except the STAR and Consumer Plus Summit and Advantage Network by approximately 4.35%.



***All premium changes are effective – June 29, 2019***

**Medical Bi-weekly Premiums**

<b>STAR: Summit &amp; Advantage</b>			
	<b>FY 2020</b>	<b>FY 2019</b>	<b>Change</b>
Single	\$0.00	\$0.00	\$0.00
Double	\$0.00	\$0.00	\$0.00
Family	\$0.00	\$0.00	\$0.00
<b>STAR: Preferred Care</b>			
	<b>FY 2020</b>	<b>FY 2019</b>	<b>Change</b>
Single	\$66.93	\$64.14	\$2.79
Double	\$138.65	\$132.87	\$5.78
Family	\$192.09	\$184.09	\$8.00



<b>Traditional: Summit &amp; Advantage</b>			
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	<b>FY 2020</b>	<b>FY 2019</b>	<b>Change</b>
Single	\$22.43	\$21.50	\$0.93
Double	\$46.25	\$44.33	\$1.92
Family	\$61.75	\$59.18	\$2.57

<b>Traditional: Preferred Care</b>			
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	<b>FY 2020</b>	<b>FY 2019</b>	<b>Change</b>
Single	\$113.18	\$108.47	\$4.71
Double	\$233.41	\$223.68	\$9.73
Family	\$311.57	\$298.58	\$12.99



<b>Consumer Plus: Summit/Advantage</b>			
	<b>FY 2020</b>	<b>FY 2019</b>	<b>Change</b>
Single	\$0.00	\$0.00	\$0.00
Double	\$0.00	\$0.00	\$0.00
Family	\$0.00	\$0.00	\$0.00
<b>Consumer Plus: Preferred Care</b>			
	<b>FY 2020</b>	<b>FY 2019</b>	<b>Change</b>
Single	\$53.29	\$51.07	\$2.22
Double	\$111.37	\$106.72	\$4.65
Family	\$164.82	\$157.95	\$6.87



## Dental Bi-weekly Premiums

<b>Traditional</b>			
	<b>FY 2020</b>	<b>FY 2019</b>	<b>Change</b>
Single	\$2.39	\$2.39	\$0.00
Double	\$4.42	\$4.42	\$0.00
Family	\$8.06	\$8.06	\$0.00
<b>Preferred Choice</b>			
Single	\$1.32	\$1.32	\$0.00
Double	\$2.45	\$2.45	\$0.00
Family	\$4.45	\$4.45	\$0.00
<b>Regence Expressions</b>			
Single	\$9.86	\$9.86	\$0.00
Double	\$17.39	\$ 17.39	\$0.00
Family	\$30.85	\$30.85	\$0.00



## Vision Bi-weekly Premiums

<b>EyeMed – Full Vision Plan</b>			
	<b>FY 2020</b>	<b>FY 2019</b>	<b>Change</b>
Single	\$3.40	\$3.40	\$0.00
Double	\$5.56	\$5.56	\$0.00
Family	\$7.71	\$7.71	\$0.00
<b>EyeMed – Eyewear ONLY Plan</b>			
Single	\$2.94	\$2.94	\$0.00
Double	\$4.67	\$4.67	\$0.00
Family	\$6.40	\$6.40	\$0.00
<b>OptiCare -- Full Vision Plan</b>			
Single	\$3.83	\$3.83	\$0.00
Double	\$6.10	\$6.10	\$0.00
Family	\$9.04	\$9.04	\$0.00

OptiCare -- Eyewear ONLY Plan			
Single	\$2.94	\$2.94	\$0.00
Double	\$4.46	\$4.46	\$0.00
Family	\$6.29	\$6.29	\$0.00

#### **4. Salary Increase Administration Instructions to Agencies**

- DHRM Rewards team will automate the Labor Market increase according to the criteria provided in section 1 above.
- Agency DHRM Field Offices will be expected to provide any exceptions to the DHRM Rewards team by **Monday, May 6, 2019 at 10:00 A.M.**

#### **5. Coding and Sequence of Salary Actions**

How will salary actions be coded?

1. The Labor Market Increase will be coded as a **COLA (Cost of Living Adjustment)** in automatic processing; If any adjustments need to be made after fiscal year end processing, agency HR Field Offices will need to work through ERIC to properly code the action.
2. Agency- specific legislatively -approved salary increases should be coded as “**ASI-Legislative Approval**”. If agencies have special legislatively funded increases that were not part of the **COLA** increase, HR Field Offices in these agencies will need to work with the DHRM Rewards team to determine if adjustments can be automated and in what date and sequence the increase should take place. Any special legislatively funded increases that need automation will need to be coordinated and approved by the DHRM Rewards team by **Monday, May 6, 2019 at 10:00 A.M.**

3. Salary increases that agencies provide- in addition to specific legislatively- approved funding should be entered with an ASI action code in HRIS that is appropriate for why the agency is giving the increase, i.e. executive director approval, performance, etc. Funding for these increases comes from an agency's existing budget. Do not use the **“ASI -Legislative Approval”** action code, even if you consider them to be the same type of increase. DHRM must be able to produce reports that separate these actions based upon their funding source.

#### Sequence of Actions Effective on June 29, 2019

Salary actions effective on **June 29, 2019**, will be processed according to the following sequence:

##### 1. Other Agency Salary Increases: (Manual Entry and/or Automated Entry)

- Salary increases such as longevity increases, promotional increases and regular ASI's must be manually entered prior to fiscal year end processing.
- If more than one type of increase is processed for a single employee, the increases will run in chronological order based upon which is approved first.
- Increases, other than COLA and special agency- specific legislatively- approved increases, are funded from existing agency budgets. There is no additional or separate funding.
- Longevity salary increases should follow established DHRM rules for eligibility and should be processed by ERIC. Career service employees must have a current performance evaluation of successful or higher within the prior year in order to be eligible. These evaluation reviews must be entered into HRIS prior to entry of the Longevity Increase action. Employees in Schedules AB, IN, TL are not eligible for longevity increases.

##### 2. 2.5% COLA (Automated Processing)

- Employee base salary rates will be increased by 2.5%.
- Salary ranges will be increased by 2.5% for eligible jobs.

## **6. Fiscal Year End Dates**

- On **Thursday, June 27, 2019**: All new hire/rehire actions, and onboarding tour one should be completed for new hires/rehires that have start dates on or before **Monday, July 1, 2019**.

Note: New hires that will start with the state on or before **Saturday, June 29, 2019** must be in the HRIS system before **Thursday, June 27, 2019** and approved by Friday June 28th to avoid a delay in the salary increase processing. If employees do not complete tour 1 in onboarding by the above deadline, adjustments will need to be made manually by agency HR Field Offices on **Monday, July 1, 2019**.

- All actions entered by the HR Field Office staff must be submitted prior to 12 P.M. on **Thursday, June 27, 2019**.
- All HRIS actions effective **Saturday, June 29, 2019** and earlier MUST be entered and approved by ERIC in HRIS prior to **Friday, June 28, 2019** at 12:00 P.M.

It is critical that all actions (including new hire/rehire actions) effective **Saturday, June 29, 2019** or earlier are entered and approved by **Friday, June 28, 2019** at 12:00 P.M. in order to ensure that the increases process correctly. The sequence for these increases will be based upon current information that is in place on **Saturday, June 29, 2019**. Actions (excluding terminations) that are in pending status will be deleted.

- All actions entered with effective dates of **Sunday, June 30, 2019** and later will be DELETED. Deleted actions will need to be re-entered on **Monday, July 1, 2019**
- The first paycheck date for FY 2020 will be on **Friday, July 26, 2019**.
- Any special adjustments related to fiscal year end processing need to be coordinated with the DHRM Rewards team before **Monday, May 6, 2019** at **10:00 A.M.**